

## Message Text

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ACTION EB-08

INFO OCT-01 EA-12 ISO-00 CAB-05 CIAE-00 COME-00  
DODE-00 DOTE-00 INR-10 NSAE-00 FAA-00 L-03 TRSE-00  
SS-15 NSC-05 /059 W  
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R 140930Z JUL 78  
FM AMEMBASSY TOKYO  
TO SECSTATE WASHDC 9626

UNCLAS TOKYO 12836

E.O. 11652: N/A  
TAGS: EAIR, JA  
SUBJECT: CIVAIR: JAPANESE TAXES ON FOREIGN AIRLINES

REF: STATE 169382

1. FOLLOWING SUMMARY OF TAX TREATMENT OF U.S. FLAG CARRIERS BASED ON INFORMATION OBTAINED FROM THE TAX BUREAU OF THE MINISTRY OF FINANCE AND U.S. CARRIERS OPERATING IN JAPAN.
  2. JAPANESE LAW NO. 144 OF 1962 EXEMPTS U.S. CARRIERS FROM MOST NATIONAL TAXES UNDER CHICAGO CONVENTION AND U.S.-JAPAN CIVIL AERONAUTICS BILATERAL OF AUGUST 11, 1952, AND AMENDMENTS.
  3. NATIONAL TAXES WHICH DO APPLY ARE:
    - A. REGISTRATION AND LICENSE TAXES APPLICABLE TO THE REGISTRATION OF REAL PROPERTY.
    - B. GASOLINE TAXES APPLICABLE TO FUEL FOR AUTOMOBILES.  
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- AVIATION FUELS AND LUBRICANTS ARE EXEMPT UNDER BILATERALS.
- C. STAMP TAXES APPLICABLE TO CONTRACTS AND CERTIFICATES WHEN NEEDED IN JAPAN.
  - D. MOTOR VEHICLE TONNAGE TAX.

E. NORMAL COMMODITY TAXES AND TRAVEL TAXES: PAID BY PURCHASER AT TIME OF SALE. BASED ON SELLING PRICE, BUT COLLECTED BY CARRIER.

4. APPLICABLE PREFECTURAL TAXES ARE:

A. BUSINESS PREMISIS AND GROSS COMPENSATION TAX: BASED ON NUMBER OF EMPLOYEES AND SIZE OF OFFICES. COMPUTED AT 300 YEN PER SQ. METER PLUS 0.25 PERCENT OF TOTAL SALARIES PAID.

B. REAL PROPERTY ACQUISITION TAX: PAID AT TIME OF ACQUISITION OF LAND BUILDINGS.

C. AUTOMOBILE ACQUISITION TAX: BASICALLY A COMMODITY TAX ON LICENSED VEHICLES.

D. AUTUMOBILE REGISTRATION TAX: BASED ON HORSEPOWER AND WEIGHT OF VEHICLES; PAID ANNUALLY.

E. ENTERPRISE TAX: NORMALLY ASSESSED ON INCOME FROM OPERATIONS, BUT U.S. CARRIERS EXEMPT FROM FORMULA. HOWEVER, AN ALTERNATE SET AMOUNT BASED ON SIZE OF OPERATION (NUMBER EMPLOYEES, ETC.) MUST BE PAID.

F. VEHICLE LUBRICANT TAX: PAID ON LUBRICATING OIL  
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FOR LICENSED VEHICLES. PAID AT TIME OF PURCHASE AS PART OF PURCHASE PRICE.

5. APPLICABLE LOCAL TAXES:

A. PROPERTY TAXES: PAID BY OWNERS OF REAL PROPERTY.

B. DEPRECIABLE ASSET TAX: ASSESSED ON MOVABLE BUSINESS ASSETS SUCH AS OFFICE EQUIPMENT AND FURNISHINGS.

C. LIGHT VEHICLE TAX: LEVIED ANNUALLY ON MINI CARS AND MOTORBIKES.

D. UTILITY TAXES: TAX ON GAS AND ELECTRIC UTILITIES USED BY CONSUMER.

E. MUNICIPAL INHABITANTS TAX: TAX LEVIED ON CORPORATIONS WITH OFFICES WITHIN MAJOR METROPOLITAN AREAS. MANSFIELD

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## Message Attributes

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**Capture Date:** 01 jan 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** CIVIL AVIATION, TREATY COMPLIANCE, TAXES, AIRLINES, AVIATION AGREEMENTS  
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**Copy:** SINGLE  
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**Decaption Date:** 01 jan 1960  
**Decaption Note:**  
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**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:**  
**Disposition Date:** 01 jan 1960  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
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**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
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**Review Event:**  
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**SAS ID:** 1999788  
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**TAGS:** EAIR, JA  
**To:** STATE  
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**Review Markings:**  
Sheryl P. Walter  
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**Markings:** Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014